

## THE SHIP SUBSIDY CONTROVERSY

# Congressional Digest



## Washington, D. C.

VOL. I

JULY, 1922

No. 10

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\$5.00 a Year

## Next Month

### THE SPECIAL POLITICAL NUMBER

#### I. U. S. Political Structure Explained

History of Political Parties  
Party Platforms of 1920  
Party Platforms and Organizations  
Political Organization in Congress

#### II. An Election Primer

Campaign Laws  
Election Proceedings  
A View of the Fall Contests  
Other Important Features

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PUBLISHED MONTHLY BY THE CONGRESSIONAL DIGEST, INC.

**ALICE GRAM, Editor**

EDITORIAL OFFICES, MUNSEY BUILDING, WASHINGTON, D. C.

**SUBSCRIPTION RATES: FIFTY CENTS A COPY, FIVE DOLLARS A YEAR, POSTPAID IN THE UNITED STATES**

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Entered as Second-Class Matter September 26th, 1921, at the Post Office at Washington, D. C., Under the Act of March 3, 1879

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## The 67th Congress

Convened April 11, 1921, will expire March 4, 1923. First session adjourned November 23, 1921. Second session convened December 5, 1921, still in session. Third session will convene first Monday in December, 1922.

#### IN THE SENATE

96 members  
60 Republicans 36 Democrats

#### PRESIDING OFFICER

Vice-President Calvin C. Coolidge of Mass., Republican

#### FLOOR LEADERS

*Majority Leader*  
Henry C. Lodge, Mass., Rep.

*Minority Leader*  
Oscar Underwood, Ala., Dem.

#### PARTY WHIPS

*Republican*  
Charles Curtis, Kan.

*Democratic*  
Peter G. Geery, R. I.

#### IN THE HOUSE

435 Members  
299 Republicans 131 Democrats  
1 Socialist 4 Vacancies

#### PRESIDING OFFICER

Speaker Frederick H. Gillett of Mass., Republican

#### FLOOR LEADERS

*Majority Leader*  
Frank W. Mondell, Wyo., Rep.

*Minority Leader*  
Claude Kitchin, N. C., Dem.

#### PARTY WHIPS

*Republican*  
Harold Knutson, Minn.

*Democratic*  
William A. Oldfield, Ark.

# THE CONGRESSIONAL DIGEST

Vol. I

JULY, 1922

No. 10

## The Steering Committee Program

The following program of legislation represents the leading issues before Congress which are scheduled for action before this session adjourns. This program is formulated by the Steering Committees of the Senate and House, which are composed of leading members of the Republican party, the majority party in control of this Congress. *Status of Program on June 28th.*

## Leading Issues Before 67th Congress

### Annual Appropriations

THE third Deficiency Appropriation for 1922, H. R. 12090, has been added to the list of annual appropriation bills passed by the House (eleven regular appropriation bills and three deficiency appropriations). All but the 3rd deficiency, which is in the hands of the Senate Appropriations Committee, have passed the Senate. The conference report on the Navy Bill, H. R. 11228, was adopted by the House on July 27th and by the Senate on June 28. Final agreement to the conference report on the Army Bill, H. R. 10871, was reached by the House on June 24 and by the Senate on June 27.

### Merchant Marine

The Greene Merchant Marine Bill, which embodies President Harding's recommendation for building up the American Merchant Marine by government subsidy, was reported (Report No. 1112) to the House on June 16, by the House Committee on Merchant Marine and Fisheries. The bill formerly listed as H. R. 10644, carries a new number, H. R. 12021. On June 20, the President in a letter to Representative Mondell, floor leader of the House, urged full consideration of the merchant marine bill before the present session of Congress adjourns, final consideration to be postponed until the House Members are called back to concur in the tariff bill now before the Senate. It is expected that the House bill will be disposed of and sent to the Senate Committee on Commerce before that Committee reports the Jones Bill, S. 3217, which corresponds to the Greene Bill. (See pages 5-15 for full discussion.)

### Reclamation of Arid Lands

The McNary-Smith Bills, S. 3254 and H. R. 10614, "To encourage the development of the agricultural resources of the United States through Federal and State cooperation, giving preference in the matter of employment and the establishment of rural homes to those who have served with the Military and Naval forces of the United States," have both been reported favorably by their respective committee and taken their place on the calendars of the Senate and House. On June 8 Senator McNary introduced his bill as an amendment to the Soldier Bonus measure, H. R. 10874, which is pending in the Senate. The Bonus Bill as passed by the House carried a land settlement provision which was not included in the bill as reported to the Senate by the Senate Committee on Finance. Senator McNary's amendment would reinstate a land settlement plan in the bonus measure. If the McNary amendment is not accepted by the Senate, it will revert to its position as a bill.

### Reorganization of Government Departments

No change has been made public in the status of the plan to reorganize the Executive Departments of the Government. A Joint Committee on Reorganization of the Government Departments was established by an act of Congress last Spring. It is composed of three Senators and three Representatives appointed by the presiding officer of the Senate and House and an appointee of the President's, Walter F. Brown. The preliminary report made to the President by the Chairman of the Committee is still in the hands of the President, where it is having the additional attention of the Cabinet Members whose Departments are affected by the proposed

changes. As soon as the President's recommendations are received the Committee will hold public hearings prior to drafting a bill for Congressional action.

### Soldier Bonus

On June 8th the Senate Finance Committee reported to the Senate the Fordney-McCumber Bill, H. R. 10874, to adjust compensation for World War Veterans. The Fordney Bill as passed by the House on March 23, 1922, was only slightly amended by the Senate Committee, the principle change being the elimination of the land settlement feature. An amendment by Senator McNary would replace this feature with the plan contained in his "reclamation" bill, S. 3254. On June 19 the Republicans in conference voted to make the bonus the unfinished business of the Senate and to dispose of both the tariff and the bonus before recess or adjournment. On June 20th the Senate passed a resolution by a vote of 52-8 to make the bonus bill, "unless sooner taken up and disposed of," the special order of business immediately following the vote upon the passage of the tariff bill.

### Reclassification of Government Employees

Hearings which began on June 10 are still in process before a sub-committee of the Senate Committee on Appropriations, on the Sterling-Lehlbach Reclassification Bill, H. R. 8928. The committee is composed of Senators Curtis, Smoot, Lenroot, McKinley, Glass, Overman and Harris. The bill

passed the House on December 15, 1921, was reported by the Senate Committee on Civil Service on February 6 and was immediately referred to the Senate Appropriations Committee for consideration of the salary schedules. On June 20th the Senate passed, without a dissenting vote, the bill continuing the \$240 bonus to government employees for the fiscal year beginning July 1, 1922.

### Tariff

On June 19th the Republicans in conference agreed to pass the Fordney-McCumber Tariff Bill, H. R. 7456, before recess or adjournment and on June 20 the Senate passed a resolution to dispose of tariff before taking up the soldier bonus measure. Unless the tariff bill can be speeded up by July 1, Republican leaders will probably invoke the cloture rule to curtail debate on the bill. Senator Curtis, Republican whip and vice-chairman of the Republican Senate organization, has circulated a petition for the rule which is said to be signed by more than enough to bring up the question. The tariff bill passed the House on July 21, 1921, was reported to the Senate by the Senate Committee on Finance on April 11, and was made the unfinished business of the Senate on April 20.

On June 21 Senator Frelinghuysen presented to the Senate the following amendments to the Tariff Bill which would take the tariff out of politics and establish a permanent, non-partisan and scientific tariff based on American productions and conversion costs. An outline of its provisions is given below.

## Provisions of Frelinghuysen Amendment

### To Establish a Non-Partisan Tariff

"In order that Congress may secure necessary data to determine and fix the proper rates of duty to equalize wherever possible differences in conversion costs of articles grown, produced, or manufactured in the United States and those of foreign countries and differences in competitive conditions, and, as economic or industrial conditions change to amend from time to time the existing rates or forms of duty on one or more articles, the United States Tariff Commission, composed of ten members, is hereby established. Each member shall be appointed by the President, to hold office during good behavior. The President shall designate a chairman and a vice-chairman to serve for four years. Not more than five members shall be of the same political party. A member shall not engage actively in any private business, trade, or profession. Each member shall receive a salary of \$12,000 a year. The commission is authorized to appoint advisers to assist them, who shall serve without compensation.

The commission shall ascertain conversion costs in the principal centers of the United States of articles of the United States and in the principal centers of foreign countries of articles imported into the United States; obtain and file articles imported into the United States and articles of the United States similar to or comparable with such imported articles; ascertain import costs and the grower's, producer's, or manufacturer's selling prices in the principal growing, producing, or manufacturing centers of the United States of such

articles and other facts which affect competition between articles of the United States and imported articles.

Beginning December 1, 1923, the commission shall report every six months to Congress the differences between conversion costs in the United States and of articles imported into the United States; the differences in competitive conditions; the rate of duty deemed necessary to equalize such differences; whether the duty should be specific, ad valorem, or ad valorem and specific; the effect in dollars of each rate proposed as it affects American growers, producers, manufacturers, and consumers; and the probable revenue to be derived from such duty.

The commission is authorized to require any importer and any American grower, producer, manufacturer, or seller to file with the commission a statement under oath giving his selling prices in the United States of any article imported, grown, produced, fabricated, manipulated, or manufactured by him.

Any commissioner, employee, etc., who divulges such information without authority shall be punished by (either or both) a fine of \$1,000 or imprisonment for two years.

The commission is authorized to establish an office in the principal customs port of entry of the United States, or elsewhere, for its purposes.

There is hereby appropriated the sum of \$1,000,000 for the payment of salaries and expenses of the Commission."

*Excerpts.*



## The Ship Subsidy Controversy

Historical Background.

Foreign Subsidies.

Situation in United States.

Provisions of Greene Bill.

Shipping Board and Congressional Committees.

House Discussion.

Senate Discussion.

Lobby and Press Discussion.

## Ship Subsidy Legislation in American History

1789—On July 4, 1789, the first Federal Congress of the United States enacted a law for "The encouragement and protection of manufacturers" also for the encouragement and protection of navigation and shipping by a provision allowing a preferential rate of 10% of the customs duties imposed by the same law on all goods imported in the United States in ships built and owned by American citizens. The same Congress enacted a law allowing American built ships owned by American citizens to enter our ports with the payment of tonnage dues of 6 cents a ton while demanding 30 to 50 cents a ton from vessels not meeting these requirements.

1794—Congress amended the tariff and navigation act of 1789 by providing that in place of the 10% discount in the duties on imports brought in American vessels, 10% should be added to the tariff rates on goods imported in foreign vessels. This policy of encouragement to American shipping by preferential customs duties and tonnage taxes, though greatly reduced, remained in force until 1850, when the United States was vigorously applying mail subventions to the encouragement of ocean steamship lines and of the design and construction of marine machinery.

1845—The act of March 3, 1845, was the first real ship subsidy step taken by Congress and provided for the transmission of the mails between the United States and foreign countries in American ships. It was enacted upon the recommendation of President Polk. The Act empowered the postmaster general to make contracts with steamship companies for either a fixed subsidy or the postage rates. The liberal rates provided in this Act did not prove sufficient inducement to Americans to establish mail steamship lines.

1847—On March 3, 1847, Congress passed a law "to provide efficient mail services, to encourage navigation and commerce, and to build up a powerful fleet for use in case of war" and provided generous subsidies. Under this act all subsidized ships were subject to purchase or control by the United States Government whenever the action demanded.

Under the ocean mail laws of 1845 and 1847, a subsidy of \$200,000 for 20 voyages was provided for the Ocean Steamship Company to maintain a line from New York to France and Germany. The Pacific Mail Steamship Company also established new lines under mail subsidy at this time. In 1847 a contract was concluded between the postmaster general and the Collins Steamship Line for a service from New York to Liverpool, which was intended to be the most effective in the world. The first subsidy to that line was of \$385,000 a year, which enabled it to fulfill its contracts, and build steamships twice the size and of greater speed than the Cunarders, the most powerful, swift and efficient steamers in existence. Because of their extraordinary performances, and of their higher cost, Congress voluntarily increased the Collins Subsidy to \$858,000 a year. American deep sea steam tonnage increased from 20,870 in 1849 to 115,045 in 1855.

1855—Just prior to the civil war Congress reduced and then withdrew the postal subvention. In 1856 the principal subvention, that to the Collins line, was cut to \$385,000 a year; a further reduction to \$346,000 a year was made in 1858. Since 1858, no real, sustained trial of an adequate policy of direct aid has been attempted by the United States.

1891—After much urging by maritime and commercial interests, Congress passed a bill granting direct aid to both

mail and cargo steamers. This law of March 3, 1891, was vigorously enforced by President Cleveland, in whose second administration, the new American line of trans-Atlantic steamers with first-class ships of 20 knots, was established from New York to Southampton. This mail subsidy law had the support of both parties in Congress. After 1860 our foreign commerce in American ships dropped rapidly from 65.2% in 1861 to 26.2% in 1875, to 12.8% in 1890, and to 8.2% in 1901.

From 1891 to 1914 Congress was petitioned for adequate encouragement to American ocean ship building and navigation. Following the Spanish War, a bill granting direct aid, championed by Senators Frye and Hanna, passed the Senate but could win no favorable action in the House. In 1904 President Roosevelt secured the appointment of a Merchant Marine Commission of Senators and Representatives to study the shipping question and present a report.

1906—Another bill, granting aid to both mail and cargo vessels, recommended by the Republican majority of this commission, passed the Senate on February 14, 1906, by a vote of 38 to 27. The House eliminated the aid to cargo vessels from the bill and mail subvention was restricted to certain lines to South America. In this form the bill was passed by the House on March 1, 1907, but concurrence of the Senate was prevented by a filibuster in the last hours of the expiring Congress.

Senator Gallinger brought forward the bill in postal form, and it was passed by the Senate on March 20, 1908, without a division. This bill, as an amendment to the postoffice appropriation bill, was brought up in the House on May 23, 1908, and defeated, 145 to 153. On March 2, 1909, on a roll call in the House, the ocean mail bill was again rejected, by a vote of 172 to 175.

1922—February 28, 1922, President Harding delivered to a joint session of the Senate and House of Representatives his recommendation for building up the American Merchant Marine.

On the same day Senate bill 3217 was introduced by Senator Jones, of Washington, chairman of the Senate Committee on Commerce, and H. R. 10644 was introduced by Mr. Greene of Massachusetts, chairman of the House Committee on the Merchant Marine and Fisheries. These bills were identical.

An arrangement for joint hearings was entered into between the Senate Committee on Commerce and the House Committee on Merchant Marine and Fisheries. Sessions were held beginning on Tuesday, April 4, and continued practically without interruption daily until Friday, May 19. During this period of 45 days 35 witnesses were heard and cross-examined. On June 16, the Greene Bill as amended was reported to the House where it is awaiting action. The Senate bill is still in committee.

## Ship Subsidy Activities of Foreign Governments

**AUSTRALIA:** Has state owned ships; plans to build and subsidize refrigerating vessels to carry meat trade to Europe.

**AUSTRIA:** Had coasting trade reserved; had ship-building funds; tax exemptions to ship owners; postal subventions and state ownership in overseas lines.

**BELGIUM:** Coasting trade reserved; ships and ship-building materials duty free; loans to ship owners; state owned lines; subventions to foreign lines.

**BRAZIL:** State owned lines.

**CANADA:** State owned shipping; Government development of ports.

**DENMARK:** Shipbuilding material and ships partly free.

**FRANCE:** Coasting trade reserved; construction and navigation bounties; postal subventions and preferential rates to certain lines; has had state fleet, now being sold.

**GERMANY:** Coasting trade open; free shipbuilding materials and ships; limited preferential rail rates to German vessels; postal subvention.

**GREAT BRITAIN:** Coasting trade open; inter-Imperial trade open; free shipbuilding material; free ships; postal subvention; shipbuilding loans at low rates; naval subventions; certain exemptions from excess profit duty; colonies and

dominions contribute to subventions and pay subventions independently.

**GREECE:** Had free ships.

**HOLLAND:** Coasting and colonial trade partly reserved; shipbuilding materials and ships free; postal subventions and special lines subsidized.

**ITALY:** Coasting trade reserved; navigation, construction and repair bounties; percentage of emigrants must be carried in Italian ships; free ships and materials.

**JAPAN:** 250,000,000 yen (\$125,000,000) saved from warship construction being spent for fast passenger liners; free shipbuilding materials and ships; coastwise and colonial trade reserved; naval reserve retainers; construction bounties.

**NORWAY:** This year's Storting (Congress) considering subsidy of 9,150,000 kroner for overseas vessels; subsidizes coasting craft as well; free shipbuilding materials and ships.

**PORTUGAL:** Postal subventions; coasting and colonial trade partly reserved. Discrimination.

**SPAIN:** Coasting trade reserved; free ships; construction and navigation bounties; subsidies to special lines.

**SWEDEN:** Special lines subsidized; free shipbuilding material and ships loans to ship owners.

## Present Situation of American Merchant Marine

### Statement by U. S. Shipping Board

June 23, 1922

**P**RESENT day efforts of the United States Shipping Board to upbuild the American Merchant Marine can be summarized as follows:

1. Advocating, as soon as practicable, Government aid to American ships. Towards this end the Shipping Board enlisted the services of more than twenty experts of the country, from all walks of professional and commercial life, to make a study of the problem, which study resulted in a recommendation for ship subsidy legislation to Congress.

2. Maintaining services on all essential trade routes, so that American goods today reach every port in the world.

3. Using every means at its command to hasten the transfer of ownership of its vessels from the Government to private hands.

4. Stimulating among its operators a spirit of co-operation with the Board, and an interest in the development of our Merchant Marine, so that they will become future owners.

5. Allowing Shipping Board operators a commission of 5 per cent on outgoing and 2½ per cent on incoming general cargoes, and 2½ per cent on outgoing and incoming freight in bulk. In addition to this commission the Board has just made an allowance to Shipping Board operators of 5 vessels of \$400 per ship per month, and to operators of more than five ships and up to ten ships, \$400 per ship per month for the first five, and \$250 per ship per month for the next five. Owing to the reduced number of ships in operation and lower freight rates now prevailing, the commissions to many of the operators were so low they could not continue, hence the adoption of this additional financial assistance. Furthermore, this extra compensation was made in order to maintain the organization and efficiency demanded by the Board in the economical operation of its ships.

6. Maintaining in the leading ports of the world Shipping Board representatives to look after the interests of American vessels.

7. Maintaining, through the Inland Traffic Division offices, Shipping Board representatives in the leading cities and ports of the United States, to urge shippers to consign their goods to American bottoms.

8. Rigidly adhering to all Conference rates but protecting the American operator by meeting any unjustifiable rate cuts of aliens.

9. Using all of its endeavors to educate the general public in the value of an American Merchant Marine, from the standpoint of commercial preservation, market insurance, and defense in the time of war.

10. Finally, to bring before the people the advantages and necessity for a Merchant Marine, so that the United States can take the place on the Seven Seas which rightfully belongs to her. Without Government aid the American operator today cannot compete with foreign rivals, and until such aid is extended by Congress our war-built fleet must remain idle and the cargoes which are rightfully ours shall continue to be borne in foreign bottoms.

### Statement by E. R. White

*Acting Second Assistant Postmaster General*

March 2, 1922

**T**HE CONTRACTS made under the provisions of the ocean mail act of March 3, 1891, all of which have expired except the two hereafter indicated, are as follows:

Route No. 69, New York to Vera Cruz, Mexico; New York & Cuba Mail Steamship Co., contractors; rate, \$1 per mile outward. Contract expires October 31, 1922.

Route No. 80, San Francisco to Sydney, Australia; Oceanic Steamship Co., contractors; rate, \$2 per mile outward. Contract expires June 30, 1922.

The rate of compensation allowed under the general statute for the sea conveyance of United States mails by steamers of United States register not operated under the ocean mail act of 1891 is not exceeding the full postage on the mails conveyed at present at the rate of 80 cents a pound for letters and post cards and 8 cents a pound for other articles; and to steamers of foreign register 4 francs a kilogram (about 35 cents a pound) for letters and post cards and 50 centimes a kilogram (about 4½ cents a pound) for other articles, calculated on the net weights of the mails conveyed.

Under the merchant marine act of 1920 the power to make contracts and fix the rate of pay for the conveyance of mails to foreign countries rests with the United States Shipping Board and the Postmaster General. Pending their determination, the department continues to pay the old rates of ocean mail pay in the case of steamers not under contract, and in case of steamships under contract the department has no alternative than to allow the contracts to end by expiration of their terms, there being no authority to extend the time of any existing contracts.

### Additional Figures

The ocean-going tonnage of the American merchant marine on December 1, 1921, consisted of 1,952 vessels of 5,463,951 gross tons owned by individuals, firms, or corporations, and 1,803 vessels of 8,078,061 gross tons owned by the United States Shipping Board. If the wooden craft and other unfit or uneconomical vessels be eliminated the effective seagoing vessels at present under the American flag will aggregate about 10,000,000 gross tons, of which about 6,000,000 gross tons will be available for international commerce. The existing American overseas fleet is, therefore, about one-third of the total of the total merchant-marine tonnage of Great Britain, and double that of France or Japan. It contains relatively more new tonnage and far more oil-burning steamers than the shipping of any other nation.

Owing to the prevailing depression in the carrying trade of the world, but 390 of the 1,803 vessels owned by the United States Shipping Board are at present being operated, the remainder being out of commission.



## An Outline of Provisions of New Ship Subsidy Bill, H. R. 12021

As reported by House Committee on Merchant Marine and Fisheries, June 16

Authorizes the Shipping Board to sell vessels consistent with good business methods, with or without advertisement; in the latter instance only by consent of 5 board members and with full statement of reasons spread upon the minutes. Purchase price and interest shall not be deferred more than 15 years, unpaid purchase price bearing 4%, and payments so arranged as to cover depreciation of vessel.

Makes compulsory the maintenance of necessary trade routes for 2 years to be retained in the hands of persons having the financial and other support of the domestic communities primarily interested in those routes and specifies "it is the policy of Congress to discourage monopoly in the American merchant marine."

Creates a construction loan fund of \$125,000,000 to be created out of receipts of the Board to be held in the Treasury and used by the board for loans to citizens to build vessels in private shipyards of the United States and to equip vessels already built. Loans restricted to 15 years; minimum interest rate 2%. Loans restricted to  $\frac{1}{2}$  of the cost of the vessel or  $\frac{1}{2}$  of the equipment or value when re-equipped whichever is the lesser. Shipping Board to retain first lien on the entire ship.

## TITLE II.—Taxation. Income tax of vessel owners.

Amend Title II of the Revenue Act of 1921 to permit to an owner of vessels of 1500 gross tons or more, deduction on net income from foreign operations conditioned upon his investment of the saving in building American ships. These deductions are applicable for the taxable year 1921 and 8 taxable years following.

Additional Amendments determine the terms under which these trust funds are handled; provided for reclaiming the deduction if vessels are not built; require the taxpayer to furnish a bond covering the deduction, and cover other technical details.

Permits a reasonable deduction for the exceptional decrease in value in the taxable year 1922 and 4 succeeding taxable years, under rules of the board. The Treasury Department may examine the returns.

Amends the Revenue Act to give a 5% deduction on freight money paid to American ships, but prohibiting corporations carrying their own goods from claiming this deduction.

Provides that subsidy payments are not taxable.

Doubles the tonnage dues, except sailing vessels under 1000 gross tons; others under 1500 gross tons.

## TITLE III.—Transportation of immigrants by water.

Provides that  $\frac{1}{4}$  of the total admitted to the United States be transported in American ships and authorizes the President to negotiate with foreign countries if treaties conflict.

## TITLE IV.—Compensation to vessels of the United States.

Creates merchant marine fund in the Treasury made up of tonnage dues, 10% of all customs duties, all mail pay except parcel post and all excess earnings paid by the owner of any vessel.

Compels the Board to enter into subsidy contracts, unless its refusal is specifically authorized by five members and limits term of contracts to 10 years.

Provides basic rate of subsidy of  $\frac{1}{4}$  of one cent for each gross ton per 100 nautical miles on foreign voyages under 12 knots. Premiums for speed:

12 to 13 knots,	.1 of 1 cent.	18 to 19 knots,	.9 of 1 cent.
13 " 14 "	.2 " "	19 " 20 "	1.1 " "
14 " 15 "	.3 " "	20 " 21 "	1.3 " "
15 " 16 "	.4 " "	21 " 22 "	1.5 " "
16 " 17 "	.5 " "	22 " 23 "	1.8 " "
17 " 18 "	.7 " "	23 knots or over,	2.1 " "

Determines methods of computing the above compensation and provides that vessels from 1500 to 5000 gross tons shall be considered as of 5000 tons.

Bans sailing vessels under 1000 gross tons and "any other kind less than 1500 gross tons." Provides that from  $\frac{1}{4}$  to  $\frac{1}{2}$  of the crew (unlicensed personnel) shall be citizens of the United States. Safeguards the payments to citizens of the United States and to American built vessels, except where 5 members of the Board specifically authorize a foreign built craft because of its particular type.

Defines foreign trade. Great Lakes vessels are held to be in foreign trade if the voyage "begins or ends east of Quebec, Canada."

Requires the vessel to enter or clear a port of the United States at least in 12 months, and the distance covered must exceed 150 miles. Requires 75% of the fleet of the beneficiary to be under the flag after three years. Gives the Board power to double the subsidy or reduce it, but only by a vote of at least 5 members with reasons made public. Provides for maintenance of service route. Permits the taking of any subsidized ship by the President "for national defense during any national emergency." Providing compensation to owners. Requires repairs, renewals and re-conditioning of subsidized vessels to be done in the United States, its territories or possessions or canal zone. Requires subsidized vessels to carry mails, except parcel post, free. Subsidy ceases with sale of vessel. Provides that sale of vessel does not annul right of United States to take in national emergency, etc. Provides for a refund up to amount of subsidy of 50% of the amount of income exceeding 10% a year. Safeguards against profiteering are vested in the Commission of Internal Revenue. Defines the obligation of vessel owner under contract for compensation. Makes the Shipping Board final arbiter of the amount paid.

## TITLE V.—Army and Navy Transports.

Authorizes the President to divert army and navy transport work to private vessels, transferring the old transports to the Shipping Board. The War and Navy Departments are directed to make contracts with private owners for terms of ten years.

## TITLE VI.—Provisions relating to rail and water transportation.

Defines policy of Congress to faster rail and water transportation. Directs Interstate Commerce Commission and Shipping Board to create a joint board to study interrelations of rail and water traffic and make recommendations to the Commission and Board to accomplish the policy defined. Provides uniform through-bills of lading. Permits railroad ownership of ships not used in coastwise trade. Requires filing with the Shipping Board agreements between common carriers by water fixing rates, etc., in foreign trade. Also gives power to the Board to disapprove or cancel such rates, etc., if "unjustly discriminatory or unfair." Provides for cooperation between the Shipping Board and the Interstate Commerce Commission to maintain adequate shipping facilities.

## TITLE VII.—Miscellaneous provisions.

Requires all officials of the United States, including military and naval officers, when travelling, to use United States vessels if practicable. If foreign vessel is used expense will not be allowed. Requires shipment of goods for the United States in American vessels when practicable.



## The United States Shipping Board

The United States Shipping Board was established pursuant to the Federal shipping act of September 7, 1916. Under the act the board was given a dual status, and its powers were made somewhat analogous to those of the Interstate Commerce Commission. It was directed in time of peace to promote the development of an American merchant marine and to regulate foreign and domestic shipping. It was also authorized to secure the incorporation, under the laws of the District of Columbia, of one or more corporations for the purchase, construction, or operation of merchant vessels, with a capital not to exceed \$50,000,000, which the board was to control through a majority subscription to the capital stock. Pursuant to this authority the Emergency

Fleet Corporation was formed and became the shipbuilding and operating agency of the Shipping Board, and its entire capital stock was subscribed to and is now held by the Shipping Board.

### Members of Present Board

A. D. Lasker, Rep. Chicago, Ill., Chairman.  
T. V. O'Connor, Rep. New York, Vice Chairman.

#### Commissioners:

George E. Chamberlain, Dem., Oreg.  
Frederick I. Thompson, Dem., Ala.  
E. C. Plummer, Rep., Me.  
W. S. Benson, Dem., Ga.  
Meyer Lissner, Rep., Calif.

## Members of Committees That Framed New Ship Subsidy Bill

### Senate Committee on Commerce

#### Republicans

Wesley L. Jones, Wash., *Chairman*.  
Knute Nelson, Minn.  
Bert M. Fernald, Me.  
William M. Calder, N. Y.  
Irvine L. Lenroot, Wisc.  
Charles L. McNary, Ore.  
Walter E. Edge, N. J.  
Frank B. Willis, Ohio.

O. E. Weller, Md.

T. Coleman du Pont, Del.

#### Democrats

Duncan U. Fletcher, Fla.  
Joseph E. Ransdell, La.  
Morris Sheppard, Tex.  
Furnifold M. Simmons, N. C.  
Nathaniel B. Dial, S. C.  
T. H. Caraway, Ark.

### Biographical Sketch of Chairman

#### As Published in The Congressional Directory

WESLEY L. JONES, Republican, Seattle; attorney; born at Bethany, Ill., October 9, 1863, three days after death of father; married and has two children; resided at North Yakima from April, 1889, until 1917, when he changed his residence to Seattle; representative at large from 1899 until 1909, when he was elected to the United States Senate. Re-elected in 1914 without being in the State during the primary or election campaigns, Congress being in session. Re-elected in 1920. His term of service will expire March 3, 1927.

## Committee on Merchant Marine and Fisheries

#### Republicans

William S. Greene, Mass., *Chairman*.  
George W. Edmonds, Pa.  
Frank D. Scott, Mich.  
Wallace H. White, Jr., Me.  
Frederick R. Lehlbach, N. J.  
Edwin D. Ricketts, Ohio  
Carl R. Chindblom, Ill.  
Albert W. Jeffers, Nebr.  
Nathan D. Perlman, New York.  
Benjamin L. Rosenbloom, W. Va.  
Harry C. Gahn, Ohio.

William H. Kirkpatrick, Pa.  
Ogden L. Mills, N. Y.

#### Democrats

Rufus Hardy, Tex.  
Ladislav Lazaro, La.  
William B. Bankhead, Ala.  
Ewin L. Davis, Tenn.  
Thomas H. Cullen, N. Y.  
Schuyler Otis Bland, Va.  
Clay Stone Briggs, Tex.  
Arthur M. Free, Calif.

and was a clerk in the insurance business from 1858 to 1865; he married Mary E. White, March 8, 1865, and has three children, Mabel L., Chester W., and Foster R.; commenced business as auctioneer; real estate and insurance agent in 1866; was elected member of common council in 1876, 1877, 1878 and 1879, and was president of the body the latter three years; elected mayor in 1880; also alternate delegate to Republican national convention which nominated President Garfield; was reelected mayor in 1881, but resigned the same year, being appointed postmaster by President Garfield; in 1886 was again elected mayor; was a candidate in 1887 and 1888, but was defeated; in July, 1888, was appointed by Gov. Ames general superintendent of prisons for the State, and served until 1893, when he was removed by the Democratic governor for political reasons; was again candidate for mayor in 1894 and defeated; elected mayor in 1895 by 734 majority, in 1896 by 1,514 majority, and in 1897 by 3,121 majority, and declined a reelection in 1898; was appointed Postmaster by President McKinley and entered upon his duties April 1, 1898; resigned this position and was elected to Congress May 31, 1898, to fill the unexpired term of the late John Simpkins for the Fifty-fifth Congress; also elected to the Fifty-sixth, Fifty-seventh, Fifty-eighth, Fifty-ninth, Sixtieth, Sixty-first, Sixty-second, Sixty-third, Sixty-fourth, Sixty-fifth and Sixty-sixth Congresses, and reelected to the Sixty-seventh Congress.

### Biographical Sketch of Chairman

#### As Published in The Congressional Directory

WILLIAM STEDMAN GREENE, Republican, of Fall River, was born in Tremont, Tazewell County, Ill., April 28, 1841; removed to Fall River with his parents in 1844, was educated in the public schools of that city.

## House Members Discuss Ship Subsidy Bill

*Pro*

Hon. William S. Greene, Mass.

*Chairman, House Committee on Merchant Marine and Fisheries*

WE must decide now whether we are to develop our foreign trade and a merchant marine adequate for our peace and emergency needs or to rely, as before the war, on foreign vessels for the carriage of our products. The latter course is so utterly at variance with common sense and American ideals as to be unmentionable. Now is the time to act and it must and will be done.

Every effort should be made to expedite the Shipping Bill because its supporters believe that this is one of the most important measures before Congress. It is vital to the nation's interest that the bill be passed speedily. The matter is of the greatest moment to every element of American society, to the farmer, the grain grower, the cattle raiser, the laborer, the mechanic, the manufacturer, and to everyone interested in the activity of our domestic pursuits and the disposition of our surplus products.

The situation today, with respect to shipping conditions within the United States, is very different from that obtaining in previous occasions when Government aid to shipping arose for legislative discussion. In former days, if the people were bent upon not having a merchant marine, such a decision prevailed and settled the matter for the time being. But today, it is not a question of wishing for a merchant marine or not, because we are in actual possession of a vast fleet of good ships. Nor is it a question of desiring a subsidy or not, for the reason that the American people would be taxed for far less money in the commercial operation of these ships, than they are at present as a result of the net annual loss to the Government of \$50,000,000, due directly to the gigantic tie-up of over one thousand Shipping Board vessels at the various ports of the United States.

In the final analysis, it is simply a question as to what we of America shall do with this tremendously large fleet of idle ships, for the exclusive benefit of the American people, and at the least possible expense to themselves as national taxpayers. The alternatives are plain. Either we must make it possible for private enterprise to successfully operate these ships in foreign competitive trade routes, or refuse the relatively slight amount of aid which the Shipping Bill provides for, thereby necessitating the continued inefficient method of Government operation until the vessels become absolutely worthless and unfit for further service.

By the extension of a moderate amount of national aid, the maintenance of adequate American service under private ownership can be insured, and the Government's heavy losses ended. And only by making private operation profitable can the Government find a market for the disposition of its own tonnage. With such aid, it must be conceded that we could promptly dispose of our salable ships for private operation, rid ourselves of the undesirable tonnage and put an end to the annual operating loss which is constantly causing a highly regrettable deficit in the national Treasury.

*Con*

Hon. Rufus Hardy, Texas

I AM opposed to the pending Subsidy Bill because it—  
Authorized the sale of over ten million tons of steel ships. They will probably sell to a syndicate for about \$200,000,000. By its favoring terms this syndicate can hold without loss until they can distribute at a profit of possibly \$400,000,000.

Creates a revolving fund of \$125,000,000, which may be increased, to be loaned at 2%, involving, if kept loaned, a loss of at least \$3,250,000. If part is unloaned the loss is still greater.

Exempts incomes from operation from tax—a loss of \$25,000,000 if the ships prosper; also exempts profit from sale of ships built before 1914, intending to leave untaxed profits on all ex-German and pre-war built Government ships, to be junked off by the Board.

Gives special deductions from income for exceptional decrease in value since date of purchase. This permits owners who bought at war prices to deduct the difference between that and post-war prices from their net income although during the late exorbitant freight rates the ships may have paid for themselves. This privilege runs to 1927—spreading over five years.

Gives to Importers and Exporters deduction of income tax of 5% of all freight paid to American ships.

In 1909 our imports were \$1,475,520,724; our exports, \$1,728,198,645. In 1919 our imports were \$3,904,364,432; exports, \$7,920,425,990. In 1909 experts say our trade paid foreign ships \$300,000,000. If prosperity returns our total over-seas transportation costs will run to \$750,000,000. This will give shippers a tax rebate of \$18,750,000, if our ships carry 50%. Both this and preferential railway rates to our ships is discrimination against foreign ships and leads to retaliation and heavy burdens on our foreign commerce.

Gives subsidy of five mills to 2.6 cents per ton per one hundred knots according to the speed of the vessel. Passenger lines take the lion's share. At 2.6 cents per ton, per 100 knots, the "Leviathan" will receive a million dollars annually. If our ships carry one-half our traffic in normal times the normal subsidy will run over \$50,000,000, providing we retain our just share of world trade. The Board may double or reduce the subsidy rate and also enrich or impoverish any company and they may contract, giving excessive subsidy for ten years, thus placing any remedy beyond the power of future congresses.

Turns over Army and Navy and other official transportation to private companies at profit to them and loss to the Government of over \$10,000,000.

Omitting items not estimated, this Bill will approximately cost the American people, first \$400,000,000, loss of ship sales, and annually under items enumerated \$110,000,000, in order to save a minor part of Lasker's alleged present government operating loss of \$50,000,000. While it abandons the constructive policy of section 7 of the Acts of 1920 for establishing desired trade routes.

I have only criticized the cost of the Bill. Its other evil features are worse than its cost.

## Senate Members Discuss Ship Subsidy Bill

*Pro*

Senator Wesley L. Jones, Wash.

*Chairman of the Senate Committee on Commerce*

**WE MUST** do something to assure ourselves a proper place in the maritime field and to give such stability to ship operation as will afford us a fair and permanent share of the ocean carrying of the world. We have vessels. None can deny that the opportunity is ours. Something should be done and that speedily to affect a fixed policy for their permanent operation.

Our failure to encourage an American Merchant Marine before the war has cost us during the last seven years four or five billions of dollars at least, a large part of which has come from our farmers and all from the taxpayers. We saved a few dollars by not aiding the building of a Merchant Marine by private capital and wasted hundreds of millions by such saving.

By the shipping bill we seek to so supplement the Marine Act of 1920 as to make the loss of our fleet less, get our ships in private hands and save the taxpayers, build up and maintain a well-balanced fleet and save ourselves from another 1914 situation.

Our ships cannot be sold now to any advantage, if at all. If we pass this act we can sell them for far more than we will have to pay out under it for many years. New and up-to-date ships will be built without expense to the Government and our shippers will be assured just freights in peace or war.

It is imperative that the bill pass before Congress adjourns. According to reports from all quarters, ocean shipping appears to be reviving. It is essential that the United States step in and handle its share of such business as is offered. To do this our ships must be put on an equality with their competitors. Not only must something be done to offset the lower operating costs under foreign flags, but we must do something to meet the various forms of aid extended by other nations to their merchant marines.

No great merchant fleet in the history of the world has been built up without Government aid. Our shipping is entitled to the indirect aids proposed as a matter of right and the direct aid given is a small price to pay for the preparedness it will be in case of danger.

If we would have a merchant fleet in the face of the competition of fleets long established, with agencies and business connections all over the world and aided and favored in many ways by their own governments, we must give the help necessary to put our people upon a parity with their competitors. If we will do this their energy, aptitude, determination and skill will do the rest after a while and when they are firmly established they will hold their own on the sea as well as on the land.

If there is a better and cheaper way to get a Merchant Marine let us have it, but let everyone who wants an American Merchant Marine and cannot suggest a better way get behind and boost this plan. In my judgment, if this plan is not put through our hopes for a merchant marine die.

*Con*

Senator Duncan U. Fletcher, Fla.

**THIS** bill proposes a direct draft upon the treasury of the United States, in proportions never before contemplated, and indirect aids largely diverting from the treasury resources utilized as aid to shipping interests specifically, altogether exceeding the combined subsidies, subventions and aids to shipping of all the maritime nations of the world.

The total cost of these subsidies and subventions, direct and indirect aids, to the people of this country, would be not less than \$100,000,000 per annum. That would be a beginning. It is the story of all subsidies that applications for their increase have followed promptly. This proposed burden upon the taxpayers of the country is wholly unwarranted, and cannot be defended.

It is needless to waste time arguing the wisdom, or even the necessity of having an adequate American Merchant Mine. Practically everybody concedes that.

The Shipping Board admits that it is gradually decreasing its losses. In other words, they are learning the business. We had better continue to lose from twenty to forty millions of dollars per year, while establishing new routes, building up trade, and acquiring a knowledge of shipping, and increasing efficiency to where the losses will disappear, than to pay out from fifty to a hundred millions of dollars a year to benefit private shipping concerns.

Those people who know the shipping business have made a success of it. No business in the world can show better profits, and I refer to American concerns in competition with the world. The evidence before the Committee showed, for instance, that one Steamship Company made a net profit on its capital stock of 666.9 per cent for 1917, another paid a dividend of 405 per cent in 1917, another line made a net profit on its capital stock of 322.9 per cent during 1916. One company earned a net profit of more than their entire capital stock during the years 1915-1920, another made a net income of \$94,147,500 during 1915 to 1920 upon a capital stock of \$50,000,000.

If the Shipping Board will turn their attention to getting the right men, and pursuing the proper course, they will soon be able to show net earnings.

It cannot be shown in the whole history of shipping that subsidies have ever been effective in permanently developing a nation's merchant marine. The countries which have subsidized most have accomplished least in building up their shipping. The experience of the United States is that subsidies are ineffective, indeed harmful, and the policy is vicious. The great maritime powers of the world have flourished on a policy opposed to subsidies. When you build upon subsidies you build upon quick-sand.

There has been depression in shipping because of the enormous falling off in the volume of our exports and imports, due to abnormal conditions following the war, but this will not continue. There will be need of ships. We have not too many. Our foreign trade will increase.



## Farmers' Organizations Discuss Ship Subsidy Bill

### *Pro*

#### American Farm Bureau Federation

*J. R. Howard, President*

**M**ARKETING is today the farmer's chief problem. The ship subsidy is our best insurance for marketing of the farmer's exportable surplus. The price of grain is made at Liverpool, so it follows that the farmer is interested in the delivery wagon which takes his grain to Great Britain.

Experts generally agree that a merchant marine cannot be had at this time without special aid or so-called subsidy such as is granted other industries. The protective tariff is a subsidy to manufacturing, in no sense different in principle from a tariff on ocean shipping called a subsidy. It is inconsistent to support the one and not the other. England and Japan long have had ship subsidies, as did we during the first fifty years when we dominated ocean trade. Aside from tariffs we now have many governmental subsidies, such as irrigation projects in the West and boll-weevil appropriations in the South.

A ship subsidy is the only means aside from government ownership to maintain any semblance of supervision or control of ocean rates, and any bill providing for subsidy should also carry this power over rates.

The more than 1,400 ships owned by the government will be disposed of. They will go either into the hands of a big so-called Wall Street pool, or into the hands of many independent owners. The independent owners will not take hold of these ships except through protection or subsidy. The subsidy then is a protection against Wall Street domination.

The cost of the proposed subsidy on a 5,000 gross ton ship loaded with wheat would be approximately  $\frac{1}{4}$  of a cent a bushel; loaded with cotton 10 cents a bale. On larger and faster ships it would be a little more, but in no case as great as the insurance now paid against storm loss. It is worth more than its cost as market insurance.

Although the American Farm Bureau Federation is opposed to a subsidy as a matter of principle, at the same time, we recognize that there may be times when the general principle will not harmonize with the facts of the situation. War has produced a set of abnormal and unreal conditions of business endeavor. International commerce is the servant of the whole nation and of direct benefit to every citizen. In times of drought the Government will furnish the farmer free seeds to plant the next crop. That is a subsidy to meet an emergency.

Today we have a vast fleet, but Government operation is costly and a temptation to everyone concerned in it. No private operator will take over these ships unless he has assurances of building up a steady volume of business and is sure of meeting the differential in operating costs in favor of the foreigner. For that reason we favor the direct aid provided in this bill until the American Merchant Marine can be established on the seas and no longer.

### *Con*

#### Farmers' National Council

**T**HE Jones-Greene Ship Subsidy Bill—  
Creates an ocean-going pork barrel.

Taxes farmers for the ocean greyhounds for the rich and for Standard Oil, Steel Corporation and Packers' fast freighters.

Permits financial speculators in ships to escape income taxes.

Fosters and subsidizes shipping rings at the expense of the taxpayers and permits four members of the Shipping Board to double the subsidy for favored shipping concerns.

Is designed to build up eastern ports, force farmers to pay long haul freights and deflate them some more.

Will take away from farmers of the West and Middle West most of the possible advantages of the Great Lakes and St. Lawrence Deep Waterway.

Takes control of Army and Navy transports away from those Departments and vests control in the Shipping Board, which is honey-combed with representatives of foreign governments.

Permits a reduction in wages of American sailors, and seeks to smash the Seamen's Union.

Invests the U. S. Shipping Board with power to tax all American citizens for the benefit of American financiers.

### National Grange

While the National Grange does most heartily desire the upbuilding of our merchant marine, we are emphatically opposed to the principles of subsidies and believe the desired result can and will be accomplished without resorting thereto.—1890.

We are in favor of the development of the American merchant marine and of manufacturing as we are in favor of the development of American agriculture, but no more in favor of contributing to a few wealthy ship builders than we are of contributing to farmers or manufacturers. We have reasons founded on sound principles of statesmanship to oppose a scheme that contributes to the profits of the few at the expense of the many without adequate return.—1901.

We are opposed to any law farming out the people's money to build ships to be operated by any corporation for profit.—1914.

The disposal of Government built ships to private owners at prices which will adequately safeguard the interests of the Government and the operation of a merchant marine under private ownership and initiative subject to the interests of the public as a common carrier, is sound Grange doctrine.—1919.

In every single instance the vote in the Grange against the question of appropriating the taxpayer's money for the purpose of promoting any private interests has been absolutely unanimous.—1922.

## Labor Organizations Discuss Ship Subsidy Bill

### *Pro*

Marine Engineers Beneficial Association, No. 33

*Thos. B. Healy, Business Manager*

**W**E support this bill because—

It is beneficial to American labor as distinguished from foreign labor so frequently employed in shipping.

It will promote the trade and commerce of the United States and thereby establish foreign markets for American-made goods and the products of American industry.

It will tend in a very substantial measure to remedy the present critical situation in regard to unemployment.

It will win for our commerce and for the American seagoing individual a place of distinction and prestige to which it and he are rightfully entitled.

It is beneficial to the United States as a whole and to its citizens.

The experience of this country during the recent World War shows how necessary it is to support this ship subsidy bill or some similar measure that will guarantee to the country that there will not be a recurrence of such experience.

We welcome the ship subsidy bill, for we believe that it will assist the American shipowner in competing with his foreign rival, who is given just such aid by his Government as the ship subsidy bill would give to the American shipowner.

We know that immediately upon the passage of this bill 300 or 400 ships will be put into operation. We know that with the assistance given by the provisions of this bill our American shipowners will again take heart and will again go into the market to compete with foreign ships for an opportunity to carry American goods and American materials. This will mean employment for thousands in America, and particularly for thousands of American citizens in whom, above all others, we are most interested.

The way must be opened for the American business man to send his material in ships flying the American flag, manned by American crews who have American interests at heart and who stand unswervingly by American principles.

We now have an investment of \$3,000,000,000 in our merchant marine, although much of it is tied up at the docks. The ship subsidy bill contemplates an expenditure of a few million dollars to preserve the major part of that \$3,000,000,000 to enable us to keep our ships on the seas and to restore those that are tied up, and to render competent, efficient service to our citizens, and take our position among the leading nations of the world in shipping as well as in all other things.

In conclusion we urge that the objections to this bill from representatives of organized labor are made primarily in the interest of the foreign element among our laborers, and that this bill must necessarily be supported by all labor organizations made up strictly and entirely of American citizens.

### *Con*

American Federation of Labor

*Executive Council*

**A**CTING for and on behalf of the Trade Unions of America we are generally opposed to subsidies of any kind and specifically opposed to subsidies being granted to shipowners, because, there is no proof that subsidies ever built up or materially aided in building any merchant marine and because it is provocative of inefficiency and graft and general parasitism.

We are opposed to this particular bill because:

It presumes to sell the vessels now owned by the Government when in fact the so-called sale is nothing but a smoke screen to hide the fact that the ship-owners are to receive the vessels for nothing and then some three hundred million dollars over and above the purchase price for operating the vessels for ten years, after which time the ship operators may turn the vessels back to the Government.

This bill confers upon the Shipping Board powers such as have never been given to any commission or board in any country; under this bill it can give the subsidy or withhold it. It can reduce the subsidy or double it; it can sell the vessels at any price to one person or refuse to sell to another person at a high bid because it is of the opinion that the bidder's character is such that he may not use the vessel to promote the interests of the United States; it can lend money to one person at 2 per cent interest and refuse it to another, when both are to use it for the same purpose.

The shipowners who are advocating the bill and will be the recipients of the bounty refuse to give any real information about their business during the last ten years, which might show whether any subsidy is really needed, even from the point of view of those favoring subsidies as a principle, unless ordered to do so by the Joint Committee conducting the hearings.

The shipowners are so organized that there is not nor will there be any competition between them in the buying of the ships.

The shipowners have dominated the policy of the Shipping Board during nearly all of its history. They are dominating it now and there is no reason to believe that they will not continue to control it in the future.

Congress has during our history, except in two or three instances, given the shipowners anything they asked; and it is, therefore, the shipowners and shipbuilders who are at least indirectly responsible for the decay of our sea-power, and there is no good reason to believe that the shipowners and their policy will improve after getting the subsidies. We believe that this is no time to sell the vessels; but that, having tried to operate the vessels under agreement with the shipowners and having failed, we may now try to operate them directly without any serious loss to the Government. We believe that the losses would be much less, if any, and that the shipowners would then buy the vessels which they have so far refused to buy.

## Shipping Organizations Discuss Ship Subsidy Bill

*Pro*

The National Merchant Marine Association

**M**UCH more than "aid to the American merchant marine" is involved in the pending Shipping Bill. The enactment of this measure will bring into action forces for the development of the commerce and defense of the country. Aid to the merchant marine will be protection to the American people.

What will happen unless aid is extended will be a continuance of what is happening now. It has been said that our ships cannot compete against the cheaper built and operated ships of foreign nations. Concrete proof of this is to be found in records of the Department of Commerce, which have just been made available, showing the values of our sea-borne exports and imports for the ten months up to May 1, last, compared with those to May 1, 1921. In the earlier period our ships carried \$342,000,000 worth of goods more than British vessels did. For the later period, however, Britain's ships carried \$66,000,000 more of our trade than we did ourselves.

Nor is it Britain only that is besting us in competition. In the 1921 period goods carried in American bottoms were valued at \$1,290,000,000 more than those transported by the foreign vessels other than British. But in the 1922 period, that advantage of more than a billion dollars was reduced to less than a tenth of that sum. And today, with half the tonnage engaged in our foreign trade flying the American flag, we are carrying only about thirty per cent of the cargoes. And we have been losing ground steadily.

Without aid, the gradual elimination of the American merchant marine is as certain as it was in the half century preceding the world war, when our shipping went unprotected.

If aid is not extended, the Government will be unable to dispose of the millions of tons of shipping on its hands, and the vessels will gradually become junk.

With no demand for American ships, there will be no work for American shipyards. This will react not merely upon labor, but upon the capital invested in the many industries that manufacture the myriad of things that go into the making of a ship.

With only a handful of American ships left in operation, our foreign competitors will have a monopoly of our overseas carrying trade. They can then fix freights at levels that will give their nationals the advantage in the markets where we compete with their own goods. Loss of world trade must follow, and our commerce will be largely at the mercy of our foreign rivals.

Hundreds of organizations throughout the country have called for the passage of the Bill to aid shipping—including such representative bodies as the Chamber of Commerce of the United States, the National Association of Manufacturers and the American Farm Bureau Federation. The sentiment of the press of the nation is almost three to one in favor of the measure. The interior, long apathetic to the need of adequate shipping facilities, is strongly for the bill. Enactment of the measure is vital to the commerce, prosperity and protection of the United States.

*Con*

Trade and Transportation Bureau

**A**LL government theories of expansion and reconstruction involve the taxpayer's finances. He must bear the cost of installation and operation. An immediate subject for sober analysis is the proposal for subsidizing our merchant fleet.

The ships now owned by the United States approximate a market value of \$30.00 per ton and there is an aggregate of 7,000,000 tons suitable for deep sea trade. If this tonnage is worth and can be marketed at \$30.00 per ton our assets now represent \$210,000,000. In order to promote this sale of ships it is proposed to assume a subvention expense of some \$40,000,000 per year, or perhaps more. It is assumed that on this basis private operators will absorb our fleet. The ten years' subvention policy may mean another \$500,000,000. At the end of this period our ships will be substantially obsolete. The question, *then*, of replacement, comes into consideration very seriously *now*. We have heard it stated that ships cannot be built in the United States under \$80.00 per ton. Will owners be willing to replace at this figure and take up again the question of aid for these higher priced vessels?

The proposals to subsidize our merchant marine in whatever form bear a direct relation to our tariff laws. If these are such as to permit buying products only from us, and fail to encourage a regular interchange of staples in large volume, then no subsidy, however liberal, will create a going merchant fleet.

Preferential rates on export goods from American point of origin, favored rates for the users of American ships in the deep sea trade, mean nothing against prohibitive conditions obstructing international trading. If American shippers are allowed, as an additional privilege, refund on income taxes to the amount of ocean freight paid, this still is a theoretical advantage, with the other conditions mentioned out of alignment. The whole question has some relation on our loans due from foreign nations, for if we establish embargoes by tariff which forbid payment at least partly in goods, they have no available cash and the only other medium is their transportation of American products. Shut off from every other form of adjustment, the disposition to obtain a patronage for their ocean-going vessels, would impel a rate basis as close to the cost of vessels as could be made and difficult for us to meet. We neither build nor operate ships as cheaply as they do. If in disregard of these conditions, we pass a subsidy bill to build up a merchant fleet are we not in for a most disappointing result?

There is something weak apparently in the way we approach this ship problem, and it seems to be our failure to learn why we cannot build ships here on a more nearly competitive basis. We accept the statement that our cost is much higher than the European builders and seem to let the situation rest there. If we were to analyse all the contributing causes and learn just why we cannot more closely meet the prices of foreign builders of ships, we might get a little bit farther away from subsidy and cost of operation, as the phantoms we fear.



## The Press Discusses Ship Subsidy Bill

*Pro*

Chicago Journal of Commerce

IT IS no longer popular to argue that it is better to let foreign ships carry and bring our cargoes and allege that Americans are not a seafaring class. All through the interior of the country instead there has been a great awakening to the advantages which will lie in a merchant marine that will be worthy of this great nation.

It has been recognized that such a merchant marine, owing to the same labor wage and living standard differences between this country and others that make a protective tariff necessary in many lines of industry, would not be possible except with government aid—call it, if you will, subsidy, a word which used to be the bugbear of every movement until now to give American ships the chance which they ought to have in competition with the ships of countries where manpower is not on the same high plane as here.

Congress dare not ignore this change which demands that America have a shipping industry. We believe that Congress will not ignore it, but will pass the pending bill, which is an excellent measure.

*Pro*

The Oregon Farmer

ONE purpose of the administration's subsidy measure is to encourage American shipping lines to buy ships at better prices than can now be realized. Another purpose, is the necessity for development of the American merchant marine as an auxiliary for our fighting navy. A war navy is helpless without an auxiliary line of merchant ships, as we found to our recent heavy cost in the World War. All governments have found it necessary to encourage the building and maintenance of a privately owned merchant marine that can be commandeered and called to the service of the nation in time of war.

For another important reason, the American farmers are vitally interested in the maintenance of an American merchant marine. We must sell our surplus farm products abroad. If we should have no American ships, flying the American flag, to compete with foreign-owned ships, the foreign shipowners could charge us any outrageous prices that they might agree upon and we would be powerless to break the monopoly. With an American merchant marine competing with foreign ships, the tendency is to hold down the rates for transporting American food products to Europe and other parts of the world.

*Con*

New York Journal of Commerce

NO IMPORTANT measure of legislation this session of Congress has received such strenuous support and such slight opposition as the Subsidy bill. The support comes entirely from a small and intensely persistent minority. The opposition has been slumbering, because public opinion fails to wake up until the edge of the chasm has been touched.

Every effort should be made to defeat this indefensible and tainted piece of legislation. It is unsound in principle, deceptive in application, disturbing in operation and certain to prove disappointing.

Few who are not blinded by monopoly, ambition or desire for special privilege would be willing to plunge us into renewed international troubles or add to the difficulties which we now face abroad. Adoption of a cash subsidy by no means settles or even mitigates our shipping difficulties. There remains the whole question of Executive discretion and the ever present menace afforded by the threats of discrimination in the Merchant Marine act which open the way to attack from foreign sources.

*Con*

The Wisconsin Farmer

I DO NOT believe that 1 farmer in 10 or 1 farm bureau member in 10 is in favor of a subsidy for wealthy shipowners. My guess is that before the question is finally settled, it will be found that the American farmer, if once he gets at the facts, has only started to fight. This same American farmer, who, for the last year or more, has passed through an experience which he hopes never to see repeated, is in no mood and in no financial condition to sanction subsidies, whether they be to railroad owners or to shipowners.

I hope that every farmer will at once acquaint himself with the terms of the proposed ship subsidy and if he does not favor this form of gift to the rich, this gross favoritism for the few, this expenditure of public funds for private gain, that he will communicate with his Congressman. Let the farmer speak for himself. He is entitled to speak for himself. Until he has delegated this authority to others, no one can properly speak for him. I can not believe that the farmers are for a subsidy. I will never believe it until they themselves say so.

## A Digest of the "Congressional Record"

*Official Publication of the United States Congress*

### Debate and Action in the Senate and House during June

#### Senate

JUNE 1, 1922.

(Convened 11 o'clock, adjourned 10.45 P. M.)

Senator Sterling spoke at length on the Reclassification of Government Employees.

Resumed consideration of the tariff bill (H. R. 7456).

Senator Caraway (Dem.) of Arkansas again brought up the Morse case.

Passed bill (H. R. 9527) to extend the charters of National banks.

JUNE 2, 1922.

(Convened at 11 o'clock A. M., adjourned 6.25 P. M.)

Tariff bill temporarily laid aside for consideration of army appropriation bill (H. R. 10871), which passed after an all day discussion. The various amendments to the bill agreed to by the Senate increased the number of Enlisted Men from 115,000 to 125,000, of officers from 11,000 to 12,000 and the appropriation for instruction camps for the National Guard from \$6,500,000 to \$9,500,000, for the Signal Service from \$20,000 to \$40,000, for the Chemical Warfare Service from \$500,000 to \$750,000 and various other items, adding in all \$46,000,000 to the Military Appropriation.

Passed amendment to appropriate \$7,500,000 to continue construction of dam No. 2 (Wilson Dam) at Muscle Shoals.

Passed amendment appropriating \$100,000 for completion of reflecting pool attached to the Lincoln Memorial in Washington.

JUNE 3, 1922.

(Convened at 11 A. M., adjourned 5.40 P. M.)

Resumed discussion of Tariff, and reciprocity to Canada.

Senator Stanley (Kentucky, Dem.) continued attack on Daugherty, charging Harding with attempts to "put the brakes on the press" in his behalf.

Passed bill (H. J. Res. 339) for repairing levees on the Mississippi above Cairo.

Adopted two amendments of Senator McCumber's (Dem. N. D.) transferring brick and cement from dutiable to free list.

JUNE 5, 1922.

Convened 11 A. M., adjourned 9.42 P. M.)

Spent day in discussion of Tariff Bill (H. R. 7456) principally as relating to coal tar products.

JUNE 6, 1922.

(Convened 11 A. M., adjourned 10.15 P. M.)

Continued consideration of Tariff Bill—discussing duties on nails, saws, bits, pliers, etc., and agreeing to several amendments increasing such duties.

Passed bill (H. R. 11450) to provide for printing Supreme Court Reports.

JUNE 7, 1922.

(Convened at 11 A. M., adjourned 10.07 P. M.)

Resumed discussion of Tariff Bill—considering further the Metal Schedule.

Passed resolution (S. Res. 302) requesting information from Federal Reserve Board as to whether it has a publicity fund and as to use made of the same.

#### House

JUNE 1, 1922.

(Convened 12 o'clock noon, adjourned 4.51 P. M.)

Passed bill (H. R. 7299) to incorporate the Women's Overseas Service League.

Passed bill (H. R. 10159) to protect interstate and foreign commerce against bribery and corrupt practices.

Passed bill (H. R. 10768) punishment of larceny of freight in interstate commerce.

JUNE 2, 1922.

(Convened 12 o'clock noon, adjourned 5.25 P. M.)

Passed Senate bill (H. R. 6043) relieving the Interstate Commerce Commission of the necessity of placing a valuation on the real estate of railroad companies used by them in the operation of their lines.

Agreed to the conference report on the army and navy readjustment pay bill (H. R. 10972), which now goes to the President.

Passed a bill (H. R. 11345) authorizing the State of Pennsylvania to build a bridge across the Allegheny river at Freeport.

Began consideration of the bill (S. 2775) to extend the powers of the War Finance Corporation for a period of one year to carry out provisions of the act providing for relief for producers and dealers in agricultural products.

JUNE 3, 1922.

(Convened 12 noon, adjourned 4.19 P. M.)

Passed bill (S. 2775) to extend for one year power of War Finance Corporation "to provide relief for producers of Agricultural products." The bill now goes to conference.

Army appropriation bill (H. R. 10871) received with Senate amendments was sent to conference with the understanding that a separate vote would be allowed on the amendment appropriating \$7,500,000 toward completion of the Wilson Dam at Muscle Shoals, in the event House managers failed to accept the Senate provision.

JUNE 5, 1922.

(Convened 12 noon, adjourned 4.50 P. M.)

Day devoted to consideration of bills on calendar.

Passed Joint Resolution (H. J. Res. 170) to approve holding National and International Exhibition at Philadelphia in 1926.

Passed bill (H. R. 11306) to prevent importation of bees from countries in which there are diseased bees.

Passed bill (H. J. Res. 297) to authorize President to call a conference of Maritime countries to consider the prevention of pollution of waters by oil-burning steamers.

JUNE 6, 1922.

(Convened 12 noon, adjourned 2.34 P. M.)

Passed Conference Report on Independent Offices Appropriation Bill (H. R. 9981), accepting compromise on high salaries in Shipping Board.

Passed Conference Report on P. O. Appropriation Bill (H. R. 9859).

JUNE 7, 1922.

(Convened 12 noon, adjourned 3.58 P. M.)

Passed Joint Resolution (S. J. Res. 7) authorizing Secretary of Treasury to designate depositories of public moneys in foreign countries.

Passed Act (S. 831) giving State banks and trust companies same advantages as members of Federal Reserve System as National banks.

# THE CONGRESSIONAL DIGEST

## Senate

JUNE 8, 1922.

(Convened 11 A. M., adjourned 10.15 P. M.)

Discussed the coal situation.

Discussion of Tariff Bill resumed and sewing machines, also, cash registers put in the dutiable list by concurrence in Senate amendments. Passed Report on joint resolution (H. J. Res. 127) directing the reerection of the Lincoln Statue in front of Court House, Washington, D. C.

JUNE 9, 1922.

(Convened 11 A. M., adjourned 3.50 P. M.)

Consideration of Tariff Bill resumed with lively discussion of Cutlery Schedule and protests from the leaders of the Farm Tariff Bloc.

Passed joint resolution (S. J. Res. 204) relative to loaning cots to National Encampment of United Confederate Veterans at Richmond, June, 1912.

JUNE 10, 1922.

(Convened 11 A. M., adjourned 4.20 P. M.)

Discussion of Metals Schedule of Tariff Bill resumed and discussed at length but little progress made.

JUNE 12, 1922.

(Convened 11 A. M., adjourned 6.30 P. M.)

Discussion continued on Metals Schedule of Tariff Bill and on Surgical and Scientific instruments resulting in some reduction of proposed duties on the latter.

Resolutions introduced (S. J. Res. 207) to prevent disturbance of public meetings by airplanes gave occasion to a lively discussion but no decision was reached.

JUNE 13, 1922.

(Convened at 11 A. M., adjourned at 6.05 P. M.)

The tariff bill was the subject of another general attack by Senator Simmons (Dem., N. C.).

Senator King (Dem., Utah), vigorously assailed the "furniture trust," alleging that during the war it had charged extortionate prices for its products and saying the rates in the pending bill would enable it to continue such a policy.

Senator Broussard (Dem., La.), in an extended speech opposed the committee proposal to put black strap molasses on the free list.

Senator Ladd (Rep., N. Dak.), condemning the McCumber insurance certificate plan of bonus, proposed an amendment for a straightout cash bonus through the issuance of Treasury notes to the extent of \$2,500,000,000 or less, to be retired over a period of 35 years.

Senator Kendrick (Dem., Wyo.), delivered a prepared address urging passage of bonus legislation and that the McNary-Smith reclamation bill be attached as a land settlement option.

JUNE 14, 1922.

(Convened 11 A. M., adjourned 6.05 P. M.)

The compromise tax amendment in the District Appropriation Bill (H. R. 10101) was agreed to.

Discussion of the Metal Schedule resumed. A vigorous attack upon excessive prices charged by some importers called forth in protest the assertion that instances given of such profiteering—from 200 to 1000% were not typical of general conditions.

JUNE 15, 1922.

(Convened 11 A. M., adjourned 6 P. M.)

The Naval Appropriation Bill was discussed and the new plan to concentrate the Naval Training to San Diego on the Pacific Coast approved.

The reduction of appropriation for salaries and service of the National Observatory was agreed to.

The failure of Shipping Board and other high officials to prevent the sale of liquor on board passenger vessels under our flag was denounced.

The amendments relative to Bureau of Engineering were agreed to.

JUNE 16, 1922.

(Convened 11 A. M., adjourned 7 P. M.)

The recent speech of the Secretary of War in which he attacked the primaries was assailed and defended.

Consideration of Naval Appropriations Bill was resumed and occupied most of the remainder of the session.

## House

JUNE 8, 1922.

(Convened 12 noon, adjourned 4.35 P. M.)

Passed bill (H. R. 7102) to fix standard sizes for fruit and vegetable baskets.

JUNE 9, 1922.

(Convened 12 noon, adjourned 4.55 P. M.)

Passed a bill (H. R. 211) to extend provisions of pension act of May 11, 1912 to officers and enlisted men of State Militia and other State organizations that rendered service to the Union during the civil war.

Passed Senate Resolution (S. J. Res. 204) relative to loan of Army cots to Union Confederate Veterans Encampment.

JUNE 10, 1922.

(Convened 12 noon, adjourned 12.13 P. M.)

JUNE 12, 1922.

(Convened 12 noon, adjourned 4.23 P. M.)

Day spent in discussion Fitzgerald Workman's Compensation Bill for District of Columbia but no decision was reached.

JUNE 13, 1922.

(Convened at noon, adjourned at 5.20 P. M.)

The first minority attack on the administration shipping bill was launched by Representative Davis (Dem., Tenn.), who declared it to be "vicious" in its provisions and that it gave too much power to the Shipping Board.

Representative Gallivan (Dem., Mass.) attacked the Shipping Board for permitting the sale of liquor on American ships.

Representative Garner criticized the Republicans for advocating the policy of the ship subsidy and "ignoring" Muscle Shoals and reclamation bills, "which are for the upbuilding of the country generally."

Majority Leader Mondell made a vigorous defense of the party policy, and directed attention to the fact that the country had spent \$3,500,000,000 on ships during the war in "the most disgracefully wasteful fashion" and said the question now was "how best to handle the ships we have and save the fleet for the American people."

Considered a bill making changes in the judicial system of the Panama Canal Zone, regulation of the granting of divorce, trials for criminal offense and the jurisdiction of magistrates.

JUNE 14, 1922.

(Convened 12 noon, adjourned 3.45 P. M.)

Passed McFadden Bill (H. R. 11939) permitting States to tax Stock of National Banks or income of such banks according to their several laws.

JUNE 15, 1922.

(Convened 12 noon, adjourned 5.05 P. M.)

The decision of the Supreme Court with reference to the Child Labor Law was discussed, also, the Armenian outrages.

Passed Bill (H. R. 11872) establishing rules and regulations for the Canal Zone.

JUNE 16, 1922.

(Convened 12 noon, adjourned 3.43 P. M.)

Passed Resolution (H. J. Res. 344) to authorize Secretary of Treasury to detail four persons paid from appropriations for customs for use in District of Columbia after vigorous criticism of the government from the Democratic side.

JUNE 17, 1922.

(Convened at 12 noon, adjourned at 1.40 P. M.)

Indulged in a discussion of parliamentary order.

JUNE 19, 1922.

(Convened 12 o'clock, adjourned at 4.30 P. M.)

Passed Senate bill (S. 3458) authorizing the Niagara River Bridge Company to reconstruct its present bridge across the river or build on a new site to be approved by the Secretary of War.



# THE CONGRESSIONAL DIGEST

## Senate

JUNE 17, 1922.

(Convened 11 A. M., adjourned 5.03 P. M.)

A spirited debate on the soldier bonus question was caused by Democratic Senators' attacks on the reported Republican stand to postpone its consideration until the tariff bill was disposed of.

Senator McKinley (Rep., Ill.), charged that propaganda was being conducted throughout the country in behalf of Ford's Muscle Shoals proposals.

Minority Leader Underwood urged that Congress should act on the Muscle Shoals project before adjourning.

Adopted a resolution directing an investigation by the Federal Trade Commission of the alleged fertilizer trust.

An appropriation of \$200,000 for repair of a breakwater in Hampton Roads, Virginia, was added to the Naval Bill (H. R. 11228).

JUNE 19, 1922.

(Convened at 11 A. M., adjourned at 6.05 P. M.)

Passed the annual naval appropriation bill (H. R. 11228) carrying approximately \$295,450,000, and providing for an enlisted personnel of 86,000 and sent it to conference with the House.

An amendment by Senator King (Dem., Utah) providing for the withdrawal of marines from Haiti precipitated considerable discussion.

Senator Pomerene (Dem., Ohio), a member of the special committee that investigated conditions in the Island, opposed the amendment declaring it necessary for the American troops to remain there for the time being.

American occupation of Haiti, Santo Domingo and Nicaragua "as scored by Senator Borah (Rep., Idaho), who said there was no justifiable reason for sending marines to any of those countries.

JUNE 20, 1922.

(Convened at 11 A. M., adjourned at 6.20 P. M.)

Voted 51 to 22 not to displace the tariff bill with the bonus measure.

After a number of speeches, a resolution by Senator Watson (Rep., Ind.), to make the bonus measure the unfinished business after final action on the tariff bill, "unless sooner disposed of," was adopted by a vote of 52 to 8.

JUNE 21, 1922.

(Convened at 11 A. M., adjourned at 5.40 P. M.)

Criticizing existing tariff methods as unscientific, Senator Frelinghuysen (Rep., N. J.), offered an amendment to the pending bill and spoke at length upon his proposal to set up the machinery for what he described as a scientific tariff based on the difference between conversion costs in this country and abroad.

Senators Edge, N. J., and Kellogg, Minn. (Republicans), attacked the plan of Senator La Follette through a proposed constitutional amendment to give Congress power to override the Supreme Court through reenactment by a two-thirds vote of legislation held to be unconstitutional. Senator La Follette vigorously defended his plan.

Adopted the conference report on the tax amendment to the District appropriation bill.

In a speech supporting his plan to provide a cash soldier bonus through special taxes on the banks, Senator Ladd (Rep., N. Dak.), attacked big financial interests and charged them with responsibility for blocking bonus legislation.

JUNE 22, 1922.

(Convened at 11 A. M., adjourned 6.25 P. M.)

Senator Watson (Rep., Ind.) made an extended speech on the tariff contending that the bill is designed to protect American industry against cheap foreign labor to which Senator Simmons (Dem., N. Carolina) replied.

Adopted the conference report on the army appropriation bill, fixing the officer strength of the regular army at 12,000 and the enlisted strength at 125,000.

JUNE 23, 1922.

(Convened at 11 A. M., adjourned at 6.35 P. M.)

Senator Ashurst (Dem., Ariz.) demanded an investigation into the alleged oppression of wealthy New Yorkers and Vassar College authorities to location of a soldiers' hospital near New York City.

## House

JUNE 20, 1922.

(Convened at 12 o'clock, adjourned at 5.40 P. M.)

By a vote of 206 to 9 passed the Cable Bill (H. R. 12022) designed to grant independent citizenship to married women. It also provides that a woman citizen of the United States shall not cease to be a citizen, as is now the case, by reason of her marriage to an alien unless she makes formal renunciation of her citizenship before a qualified court.

JUNE 21, 1922.

(Convened at Noon, adjourned at 5.05 P. M.)

By a vote of 220 to 38 the action of the appropriations committee in fixing the bonus for civilian employees of the Federal and District governments for the next fiscal year at \$180 was rejected and the existing bonus of \$240 a year retained.

Majority Leader Mondell read into the Record the letter of President Harding approving the plan to permit the ship subsidy bill to go over until after the Senate has acted on the tariff bill.

The Shipping Board was attacked from various angles by Democratic Members who charged that some of the funds appropriated had been spent in advertising that Shipping Board vessels served liquor to their passengers.

JUNE 22, 1922.

(Convened at 12 o'clock, adjourned at 8.40 P. M.)

Spent the day in general debate on the third deficiency bill (H. R. 12090).

Representative Foster (Rep., Ohio) during general debate said that attacks now being made on Attorney General Daugherty are "the results of an organized effort to discredit a worthy public official." Voted 226 to 25, to take up the Capper-Tincher bill (H. R. 5676) to amend the futures trading act, and then laid it aside temporarily.

Renewing his attack on the Antislavery league, Representative Tinkham (Rep. Mass.) declared the prohibition amendment had "been bought and paid for."

Representative Hardy (Dem. Tex.), ranking member on the merchant marine committee, attacked the ship subsidy bill, H. R. 12021.

Representative Gallivan (Dem., Mass.) assailed Prohibition Commissioner Haynes for not acting against sales of liquor on government-operated passenger vessels.

Representative Cramton (Rep., Mich.), answering Gallivan and Tinkham, attacked Secretary Weeks for indorsing light wine and beer legislation.

JUNE 23, 1922.

(Convened at 12 o'clock, adjourned at 10 P. M.)

Agreed to the conference report on the District appropriation bill (H. R. 10101), which now goes to the President.

Passed the third and final deficiency bill (H. R. 12090) carrying a total of approximately \$40,050,000.

Representative Voight (Rep., Wisc.), delayed consideration of the conference report on the army bill through a filibuster, by demands for a quorum, divisions, separate votes and other parliamentary expedients and succeeded in forcing more than fourteen roll calls, all due to Republicans failing to maintain a quorum at all times throughout the day.

Under leave to print Representative Volstead, author of the prohibition enforcement act, replied to the speech of Representative Tinkham (Rep., Mass.), Thursday.

JUNE 24, 1922.

(Convened at 12 noon, adjourned at 5.35 P. M.)

Adopted Senate amendment to army bill (H. R. 10671) appropriating \$7,500,000 for resumption of work on the Wilson dam at Muscle Shoals.

Rejected, 132 to 119, a substitute by Representative Huddleston, of Alabama, that no part of the amount could be expended until January, 1923, and not then if the Henry Ford offer had been accepted by Congress.

Adopted, by a vote of 145 to 105, an amendment by Representative James, of Michigan, prohibiting the expenditure of the \$7,500,000 before October 1.

JUNE 25, 1922.

(Convened at 12 o'clock, adjourned 12.56 P. M.)

The time was dedicated to paying tribute to the memory of Hon. John Arthur Elston, late a member of the House, from the state of California.

## THE CONGRESSIONAL DIGEST

### Senate

JUNE 24, 1922.

(Convened at 11 o'clock A. M., adjourned 5.12 P. M.)

Discussed the coal strike, and the southern Illinois mine disorders. Senator Myers (Dem., Mont.), described the Herrin disorders as "more horrible than those committed by the Germans during the war," and declared they resulted from "the domination of an organized minority."

Senator Burson (Rep., N. Mex.), said the trouble was due to the failure of the government of Illinois to do its duty.

Senator Curtis, vice chairman of the Republican Senate organization, circulated a petition for the existing cloture rule, operative under two-thirds vote to shut off debate on the tariff bill and it was signed by more than enough to bring up the question of cloture.

Senator Townsend (Rep., Mich.), charged the Democrats with delaying consideration of the tariff bill for political reasons and with a view to preventing its full operation before the November elections.

JUNE 26, 1922.

(Convened at 11 A. M., adjourned at 6.07 P. M.)

Continuing consideration of the tariff. By a vote of 49 to 18 placed shingles on the free list. Concluded the wool and tobacco schedules.

Agreed to House bill (H. R. 12073) providing a bonus of \$240 a year to Federal and District employees during the coming fiscal year.

JUNE 27, 1922.

(Convened at Noon, adjourned at 6.40 P. M.)

Senator Walsh (Dem., Mass.) in a speech on the tariff charged that duties on fresh meats and meat products proposed in the pending bill, if effective, would increase the nation's meat bill \$379,500,000.

Rates in the agricultural schedule were the subjects of general Democratic attack, and were defended by Chairman McCumber and Senator Gooding, of Idaho, chairman of the Republican agricultural bloc.

Final legislative action was taken on House bill (H. R. 9527) granting charters to national banks for 99 years instead of 20 years, as under existing law. The bill now goes to the President.

Reached a final agreement on the army appropriation bill (H. R. 10871) under which the average army for the coming fiscal year will be 125,000 enlisted men and 12,000 officers. The measure now goes to the President.

Agreed to the House limitation on the \$7,500,000 for continuing work on the Wilson dam, Muscle Shoals, prohibiting expenditure of any portion of that sum prior to October 1 next.

Passed a bill abolishing the office of superintendent of the Congressional Library building and grounds.

JUNE 28, 1922.

(Convened at 11 A. M., adjourned at 6.15 P. M.)

Approved a duty of 3½ cents a pound on fresh beef and veal. Agreed to all increases recommended by the finance committee with respect to meats.

Referring to the killing of non-union miners in Williamson County, Ill., Senator Myers (Dem., Mont.), said the people of that county "apparently were 100 per cent disloyal to the United States and its Constitution."

### House

JUNE 26, 1922.

(Convened at Noon, adjourned at 6.40 P. M.)

Considered the Capper-Tincher antigrain gambling bill (H. R. 5676), but owing to the filibuster maintained by Voight (Rep. Wisc.), the House was unable to dispose of it.

In a speech Representative Goody, of West Virginia, called upon officials of the United Mine Workers of America to assist in prosecution of any of their members responsible for the Herrin killings, and asserted that unless this is given by the union "the organization will never be able to rise from the low level to which its members have caused it to fall."

Representative Denison (Rep., Ill.) in whose district the disorders occurred, replying to the West Virginian member, declared the "most unfortunate affair" was due to the employment of non-union men, "armed with rifles and machine guns," to mine coal in violation of an agreement entered into with the union miners.

JUNE 27, 1922.

(Convened at Noon, adjourned at 5.30 P. M.)

By a vote of 208 to 76 passed the Capper-Tincher bill (H. R. 5676) to supplement the futures trading act so as to meet the recent decision of the Supreme Court.

Adopted the conference report on the 1922 naval appropriation bill (H. R. 11228), carrying a total of approximately \$289,000,000.

Passed the Fish bill (H. R. 8067) increasing the allowance for nurses and attendants for blind and totally disabled former service men from \$20 to \$50 a month.

JUNE 28, 1922.

(Convened at Noon, adjourned at 7.10 P. M.)

After an all day fight passed a bill (S. 3425) to continue certain public land offices which otherwise would have been closed July 1.

JUNE 29, 1922.

(Convened at Noon, adjourned at 5.45 P. M.)

Adopted a resolution requesting the consent of the Senate to an adjournment of the House until August 15.

Representative Browne (Rep., Wisc.) in a speech warned Congress and the country that 30,000,000 persons will be without means of support if the threatened railroad strike is allowed to go into effect and the nation will face the greatest crisis in its history.

Passed the Fairfield bill (H. R. 11212) to extend the benefits of the retirement act to employees over 60 years of age who have been retired through no fault of their own.

### Senate—continued

JUNE 29, 1922.

(Convened at 11 A. M., adjourned at 6.45 P. M.)

Discussed rates of duty on milk, cream, honey and poultry. Senator Myers (Dem., Mont.) appealed to the Senate for action on his bills (S. Res. 142; S. 2164) proposing censorship and investigation of the moving picture industry.

Approved a concurrent resolution for adjournment of the House to August 15, to begin June 29th if possible.

Passed third deficiency appropriation bill, H. R. 12090.

## Pledges from Party Platforms of 1920

### Democratic

#### MERCHANT MARINE

"We pledge the policy of our party to the continued growth of our Merchant Marine under proper legislation so that American products will be carried to all ports of the world by vessels built in American yards, flying the American flag."

### Republican

#### MERCHANT MARINE

"The national defense and our foreign commerce require a merchant marine of the best type of modern ship flying the American flag, manned by American seamen, owned by private capital, and operated by private energy."

## Federal Legislation Women are Watching

### The Women's Joint Congressional Committee

#### Purpose

(As published by the Committee)

The Women's Joint Congressional Committee, now in its second year, serves as a clearing house for organizations engaged in promoting in Congress legislation of special interest to women.

Many organizations maintain national headquarters or legislative offices in Washington for the purpose of keeping in touch with Federal legislation and conveying to members of Congress the sentiments of their constituents and to the members of the organizations the record of their Congressmen on approved legislation. The Committee also seeks to safeguard such legislation.

The Joint Committee prevents duplication of effort and enables these organizations to unite in support of legislation.

The meetings are held regularly once a month at the headquarters of a member organization.

The Joint Congressional Committee does not separately endorse legislation. Its members bring to it the endorsements of their respective organizations. When any measure has received the endorsement of five member organizations, a sub-committee, composed of representatives of all the organizations which have endorsed the legislation, is formed to work for the enactment of that measure by Congress. This sub-committee chooses its own officers, is responsible for its own publicity, and works without involving organizations that have not endorsed the measure.

No organization joining the committee is committed to any policy except that of co-operation whenever possible.

#### Membership

The Women's Joint Congressional Committee was organized in November, 1920. The first regular meeting of the Committee was held in December of the same year when the following officers were elected to serve for one year: President, Mrs. Maud Wood Park, National League of Women Voters; Vice-President, Mrs. Ellis A. Yost, Women's Christian Temperance Union; Secretary, Mrs. Arthur C. Watkins, National Congress of Mothers and Parent-Teacher Associations. At the first annual meeting held in December of 1921 the entire ticket as listed above was unanimously re-elected for another year.

Three standing committees are arranged as follows:

1. The Publicity Committee, which is designed to keep the field informed of the Committee's activities.
2. The Admissions Committee, which passes on the organizations applying for admission to the Committee.
3. The Look-Out Committee, which keeps watch in Congress for new bills to be opposed or promoted by the various organizations.

To become a member of the Committee, an organization must have endorsed at least one federal bill pending in Con-

gress. The following named organizations today comprise the Women's Joint Congressional Committee; listed alphabetically:

American Association of University Women.  
American Home Economics Association.  
General Federation of Women's Clubs.  
Girls' Friendly Society in America.  
National Congress of Mothers and Parent-Teacher Associations.  
National Consumers' League.  
National Council of Jewish Women.  
National Council of Women.  
National Federation of Business and Professional Women.  
National League of Women Voters.  
National Women's Christian Temperance Union.  
National Women's Trade Union League.  
National Board of the Young Women's Christian Association.  
Service Star Legion.

#### Program

At the last meeting of the Whole Committee on June 16th there were ten sub-committees in operation. A sub-committee is formed either to fight or promote a measure and only when five of the member organizations have signified their position on a given subject.

All of the member organizations are careful to emphasize that they endorse principles of bills rather than definite bills

which are subject to amendment and change by Congress often detrimental to the interests of the principle. However, there is usually a bill introduced in either one or both houses of Congress which embodies the principle endorsed. It is the business of the sub-committees to guard these principles in their journey through the legislative mill.



## Status of Legislation Watched by Sub-Committees of Women's Joint Congressional Committee

### I. Independent Citizenship for Married Women.

Endorsed by ten member organizations.

Bills: Curtis (S. 2828), Rogers (H. R. 15), Cable (H. R. 12022).

Status: The Cable Bill passed the House on June 20th, 1922, and was referred in the Senate to the Committee on Immigration, where it awaits action.

### II. The transfer of the U. S. Interdepartmental Social Hygiene Board to the Department of Justice.

Endorsed by six member organizations.

Bills: Kahn (H. R. 11490), Jones (Wash.) (S. 3544).

Status: Hearings on the Kahn Bill were held before the House Committee on the Judiciary on June 6, 1922. No subsequent action was taken due to the absence of a quorum in the committee. The Jones Bill was referred to a sub-committee of the Senate Judiciary Committee on June 9. No further action has been taken.

### III. The establishment of a Federal Department of Education.

Endorsed by nine member organizations.

Bills: Towner (H. R. 7), Sterling (S. 1252).

Status: Pending action in the House Committee on Education and the Senate Committee on Education and Labor. Action by the committees is not expected until the Joint Commission on the Reorganization of the Government Departments, appointed in the Spring of 1921, makes its report.

### IV. Recodification of the naturalization laws.

Endorsed by enough members to form a sub-committee because of the provision contained in it granting independent citizenship to women. This provision has since been passed separately in the Cable Bill and the position of the women on the remaining features of the bill must again be determined.

Bills: Johnson (H. R. 10860), Shortridge (S. 3403).

Status: Pending action in the respective Senate and House Committees on Immigration.

### V. Reclassification of Government Employees.

Endorsed by eight member organizations.

Bills: Lehlbach (H. R. 8929), Sterling (same).

Status: Passed by the House on Dec. 15, 1921. Reported by the Senate Committee on Civil Service on Feb. 6, 1922, and referred to the Senate Appropriations Committee, where it has been placed in the hands of a sub-committee, for consideration of the salary schedules. (See page 4, Steering Committee Program.)

### VI. To provide for Education in Home Economics by amending the Vocational Education Act of Feb. 23, 1917.

Endorsed by seven member organizations.

Bills: Fess (H. R. 21).

Status: Resting in the House Committee on Education.

### VII. Compulsory school attendance in the District of Columbia.

Endorsed by six member organizations.

Bills: Capper (S. 2040), Focht (H. R. 7038).

Status: Reported by the Senate Committee on the District of Columbia on June 28, 1921, and placed on the Senate calendar. The House bill is still pending action by the House Committee on the District of Columbia.

### VIII. The promotion of physical education.

Endorsed by five member organizations.

Bills: Fess (H. R. 22), Capper (S. 416).

Status: Pending action by the House Committees on Education and the Senate Committee on Education and Labor.

### IX. Enforcement of Maternity and Infancy Act.

Endorsed by twelve member organizations.

Bills: Sheppard-Towner Maternity Act (S. 10390; H. R. 2366).

Status: The Sheppard-Towner Maternity Bill became a law on November 23, 1921. The sub-committee which had discontinued its work with the passage of the measure was again called together when the State of Massachusetts challenged the constitutionality of the Act because of its state aid features. Under the provisions of the Act the Massachusetts legislation pointed out that Massachusetts and other States paying large sums into the federal fund would be paying out more money in support of the Act than she could regain under her allotment. The matter was referred to the Massachusetts Attorney-General, who rendered an opinion declaring the Act unconstitutional. It is possible that the matter will be further referred to the U. S. Supreme Court in the fall for final decision.

### X. Adequate Support in the annual budgets for the proper maintenance of the Children's Bureau and the Woman's Bureau of the Department of Labor; also, for Prohibition enforcement and Social Hygiene work.

Endorsed by twelve member organizations.

Bills: The annual appropriations bills for the Executive Departments having jurisdiction over these activities.

Status: All passed for this year.

## Status of Legislation Watched by Individual Organizations of Women's Joint Congressional Committee Until Sub-Committees May Be Formed

1.—To protect the public against fraud by prohibiting the manufacture, sale or transportation of misbranded, misrepresented articles.

Rogers, H. R. 16; Barkley, H. R. 147. In House Committee on Interstate and Foreign Commerce.

2.—To punish the violation of the eighteenth amendment by Americans in certain foreign countries.

Lineberger, H. R. 6116. In House Committee on Judiciary.

3.—To prohibit the transportation of peyote (Indian drug).

Hayden, H. R. 10738. In House Committee on Judiciary, where hearings are in process.

4.—To prohibit the shipment of filled milk in interstate or foreign commerce.

Voigt, H. R. 8086. Passed House May 25, 1922. In Senate Committee on Agriculture and Forestry.

5.—An amendment to the Constitution providing for the election of President and Vice-President of the United States every six years without privilege of re-election.

Wood (Indiana), H. Res. 290. In House Committee on Election of President, Vice-President and members of Congress.

6.—To transfer prohibition enforcement agents and inspectors to the Civil Service.

Sterling, S. 3247. In Senate Committee on Civil Service.

7.—To establish a Federal Motion Picture Commission in the Bureau of Education.

Appleby, H. R. 10577. In House Committee on Education.

8.—The prevention of venereal disease in the District of Columbia.

Owen, S. 3470. In Senate Committee on the District of Columbia. Gilbert, H. R. 11021. Reported from the House Committee on the District of Columbia on March 31, 1922.

9. Creating the District of Columbia insurance fund for the benefit of employees injured and the dependents of employees killed in employment, etc.

Jones (Wash.), S. 847. In Senate Committee on the District of Columbia. Fitzgerald, H. R. 10034. Reported from the House Committee on the District of Columbia on February 8, 1922.

10.—Providing for the election of a delegate to the House of Representatives from the District of Columbia.

Poindexter, S. 14. Reported from the Senate Committee on the District of Columbia on February 20, 1922.

11.—An amendment to the Constitution admitting the citizens of the District of Columbia to the status of citizens of a State, etc.

Jones (Wash.), S. J. Res. 133. Reported from the Senate Committee on the District of Columbia on February 20, 1922.

12.—Regulation of Child Labor.

Fitzgerald, H. J. Res. 327. Perlman, H. J. Res. 332, Tague, H. J. Res. 340, all in House Comm. of Judiciary.

## New Public Health and Education Bills

### Introduced During June

S. 3721 (Ransdell). Authorizing the appropriation of additional funds to continue in effect the act providing for the care and treatment of persons afflicted with leprosy and to prevent the spread of leprosy in the U. S.; referred to Senate Committee on Public Buildings and Grounds.

H. R. 12060 (Elliott). Same as S. 3721 (above), referred to House Committee on Appropriations. Reported to House on June 27.

H. R. 12051 (Sproul). To provide a site in the District

of Columbia for a building for the care of tubercular pupils; referred to House Committee on District of Columbia.

H. R. 12053 (Haugen). To define butter and to provide a standard therefor; referred to Committee on Agriculture.

H. R. 11970 (Walsh). To establish a Bureau to Study Criminal, Pauper, and Defective Classes; referred to Committee on Judiciary; S. 3700 (Spencer). Referred to Committee on Education and Labor.

H. R. 11967 (Goodykoontz). To enlarge the powers of the Juvenile Court of the District of Columbia; referred to Committee on District of Columbia.

## The Glossary

By HON. WM. TYLER PAGE

*Clerk of the House of Representatives of the United States Congress*

### An Explanation of Legislative, Shipping Terms Appearing in This Number

#### SUBSIDY

Derived from the Latin *subsidiū*, originally the troops stationed in reserve in the third line of battle, from *subsistere*, to sit down. In Europe, after the period of its first use, it meant a sum of money paid to an ally to aid in carrying on war. In England it was a special tax levied upon persons and not upon property. It has now come to mean money paid by a government to individuals or companies, such as steamship or railway, in excess of the value of services rendered and in aid of individual enterprise. Railways in the United States have been assisted by State and municipal subscriptions to their bonds. National aid to railways, with the exception of the Union and Central Pacific, has been in the form of land grants. In the case of the Pacific roads, in addition to 33,000,000 acres of land, the company was granted a money subsidy of more than \$25,000 a mile. The first subsidized steamships were those of the Cunard Line, which in 1838 were allowed an annual subsidy of 81,000 pounds by Great Britain. Two years later agitation was begun in the United States to have steamship mail lines established on the subsidy plan, and in 1845 the Postmaster-General was authorized to make contracts for carrying foreign mail in steamships sailing under the American flag. In 1847 an act was passed requiring the Secretary of the Navy to arrange for United States steamships to carry the mail from New York to Liverpool, to the West Indies and Gulf ports, and from Panama up the Pacific coast. By 1852 the Government was paying \$2,000,000 a year for foreign mail service, but Congress soon after put an end to all mail subsidies. An act of March 3, 1891, directed the Postmaster-General to pay \$4 a mile run for first-class vessels for carrying foreign mails and in consideration of their use as auxiliary naval vessels. In 1892 the International Navigation Company made an arrangement for first-class European service in connection with the American registry of the "Paris" and "New York." Other acts granting subsidies have since been passed by Congress.

#### SUBVENTION

This term is interchangeable with that of subsidy and the two are practically synonymous. Literally it means help or coming to the aid and when used in a Governmental sense is applicable to a public utility operated by private capital such as an instrumentality of commerce, railroads or steamships, and is a bounty. Illustration: Before the beet sugar industry was developed and when the Louisiana cane sugar producers were the only competitors for the American sugar market of the Cuban cane sugar, Congress removed the tariff protection from sugar and at the same time granted a subvention or

bounty to the Louisiana producers in order to compensate them and to encourage the further development of the domestic industry. Instances of this kind, however, are rare where commercial enterprise has been encouraged by subsidy, subvention or bounty, other than to those in the field of transportation.

#### GOVERNMENT OPERATION

Government operation as distinguished from Government ownership is illustrated graphically by the taking over by the United States Government of the railroads during the World War as a war measure in order to insure the carrying of troops, munitions and supplies, and of their relinquishment and turning back into the control of private ownership and operation upon return to a peace basis. Common carriers were operated during the war under a vast system erected by the Government with a Director General and numerous zone directors, and although private operation was resumed several years ago it will be a long time before the Government will be altogether free from the obligations it entailed resulting from its temporary management of our vast rail transportation system. The Interstate Commerce Commission, whose jurisdiction and powers were rudely interrupted during the war, is again functioning and that body fixes rates and otherwise regulates our complex interstate traffic. To this extent the railroads are under governmental control.

#### GOVERNMENT OWNERSHIP

Government ownership is a term which is taken to apply almost exclusively to some great and universal public utility such as railroads, telegraphs and telephones. State and municipal ownership of public utilities in the United States is not an uncommon thing, but the Federal Government until undertaking to build the Panama and Alaska railways, both upon territory outside Continental United States had never seriously taken to the idea of Government ownership of transportation lines. The question of Government ownership, not only of railroads but of telegraphs and telephones as well, has been the subject of proposed legislation, but has never proceeded farther than the introductory stage. While it has given aid in the form of land-grants, surveys, rights of way, proceeds of land sales, loans, etc., the Federal Government has never seriously entertained any proposition for absolute ownership. It is now, however, in possession of a vast fleet of ships as the result of the operations of the Shipping Board and of the Emergency Fleet Corporation during the war, the operation of which is involved in pending legislation looking to private control with the aid of subventions and subsidies.



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